

## EXHIBIT C

UNITED STATES DISTRICT COURT  
DISTRICT OF MASSACHUSETTS  
WESTERN SECTION

DONALD HUTCHINS . Docket No. CR 04-30126-MAP  
v. . Springfield, MA  
CARDIAC SCIENCE . September 9, 2004  
..... 11:38 a.m.

TRANSCRIPT OF HEARING HELD BEFORE  
THE HONORABLE MICHAEL A. PONSOR,  
UNITED STATES DISTRICT COURT JUDGE.

APPEARANCES:

For the plaintiff: Donald C. Hutchins, 1047 Longmeadow  
Street, Longmeadow, MA 01106.

For the defendant: Randall T. Skaar, 4800 IDS Center, 80  
South Eighth Street, Minneapolis MN  
55402-2100.

Adam Basch, 33 State Street,  
Springfield, MA 01103.

Alice Moran, CSR, RPR, RMR  
Official Federal Court Reporter  
1550 Main Street, Room 536  
Springfield, MA 01103  
Tel: 413-731-0086 Fax: 413-737-7333  
amoran@prodigy.net

1 foreign or alien environment for you to be in here today  
2 arguing your case.

3 You should feel free to ask me to express myself  
4 more clearly. I'm going to try to make things as simple  
5 as I possibly can so that they're understandable to you.

6 This is not -- it is not unusual for me to have  
7 people to come to court who are representing themselves.  
8 It is a little unusual to have someone representing  
9 themselves in a case this complex I will tell you, and to  
10 that extent you are at something of a disadvantage.

11 I want to try to make sure, to the extent that I  
12 possibly can, to keep the playing field level and I'm not  
13 going to burst into Latin or anything like that. I'll  
14 try to keep my remarks as straightforward as possible,  
15 but I won't be offended if you're confused about  
16 something and need some explanation. I'm going to try to  
17 make sure that the hearing we have here is as fair as I  
18 possibly can make it.

19 MR. HUTCHINS: I appreciate that.

20 THE COURT: All right. So Mr. Hutchins is here  
21 representing himself pro se and representing the  
22 defendants?

23 MR. SKAAR: Randall Skaar for Cardiac Science  
24 and I'm here with Adam Basch from Bacon & Wilson, local  
25 counsel.

*3-10-06  
Hutchins  
Skaar*

1 Science but with Compliant.

2 And I think if you read the agreements, it's pretty  
3 apparent that the 7 1/2 percent that's really at the  
4 bottom of this that Mr. Hutchins thinks he's entitled to,  
5 that will never come from Cardiac Science no matter how  
6 you read these agreements or look at it.

7 If that event was triggered to pay the 7 1/2 percent  
8 to Mr. Hutchins, that would have to be paid by Compliant  
9 or one of those entities surrounding Compliant.

10 THE COURT: Is Compliant a corporation, or what  
11 kind of a beast is Compliant?

12 MR. SKAAR: Well, I thought you did a pretty  
13 good job when you were explaining it all, but the  
14 agreements we have show County Line Limited transferring  
15 some IEP rights to another entity which became the CPR  
16 Limited Partnership and then eventually County Line  
17 became Compliant. So they stood in the shoes of County  
18 Line so that's how the agreements, the way I read them,  
19 kind of hook up.

20 So now Compliant was in partnership -- was a general  
21 partner in a partnership with CPR Limited Partnership.  
22 CPR Limited Partnership actually holds the IP assets of  
23 Mr. Hutchins, among other things.

24 THE COURT: So this is not a corporation. It's  
25 an assembly of people and other entities working together

1 in some kind of partnership?

2 MR SKAAR: Well, they call themselves a  
3 corporation.

4 MR. HUTCHINS: It is a Delaware corporation.

5 MR. SKAAR: They call themselves a corporation,  
6 but they are as a corporation a general partner I believe  
7 in another entity and it is complicated but I don't think  
8 it's necessarily relevant to what's going on today.

9 The other fact that's interesting, and I know that  
10 Mr. Hutchins has made a Rule 19 motion here to try to  
11 bring in Compliant Corporation and I just received  
12 yesterday from Compliant Corporation a courtesy copy of a  
13 compliant that they have filed against Mr. Hutchins in  
14 Ohio on these very same issues.

15 THE COURT: Is that in a federal district court  
16 or the state court?

17 MR. SKAAR: State court. I have a copy here  
18 with a coffee stain on it that I did this morning if  
19 you'd like to have this copy, but basically it's asking  
20 for declaratory judgment that they own the IP outright  
21 and don't owe him any money.

22 So those issues are now being addressed elsewhere.  
23 I think that will make it even harder now to bring  
24 Compliant here under the first to file rules we have  
25 because I think they are the first one to address that

1 Cardiac Science has assets. And even if they didn't, Mr.  
2 Hutchins isn't a creditor yet. So why should we be  
3 taking this extraordinary remedy and interfering with a  
4 lot of stock and a big sale just to preserve a damage  
5 pool for Mr. Hutchins when he's not yet a creditor?

6 I don't see how his case is different than any other  
7 breach of contract -- hundreds of breach of contracts and  
8 patent infringement cases that are out there. There's  
9 nothing special about this one, at least nothing that  
10 he's pled.

11 And then there's this problem with the lock-up  
12 agreement that I think Mr. Hutchins actually recognizes.  
13 On his proposed order he says "The court orders Cardiac  
14 Science and the lock-up trustee," you know, not -- well,  
15 he acknowledges the fact that we need jurisdiction over  
16 the lock-up trustee because in fact Cardiac Science  
17 doesn't have the stock anymore. It's held in trust and  
18 that's of course what the two companies did. They didn't  
19 want either one of them to have control over it. They  
20 had to sit in trust and then was released on this timing  
21 schedule.

22 So Cardiac Science doesn't have -- there's nothing  
23 to enjoin Cardiac Science from doing. Their duties are  
24 done. They had to pay their stock just like writing the  
25 check for this stuff, and therefore there's nothing to

1       enjoin anyway.

2               But I think a more serious question is why would we  
3       be doing this? What is so extraordinary about this case  
4       that we have to somehow create a damage pool for Mr.  
5       Hutchins even though we're so far away from him being a  
6       judgment of creditor of any kind.

7               THE COURT: Well, I can see one justification  
8       and then I can see a problem with that justification. I  
9       mean, one justification is that this is just a little bit  
10      like an attachment. He thinks that he's going to get a  
11      judgment against Compliant eventually I guess because the  
12      papers say that Price Waterhouse says that Compliant or  
13      maybe it says that your client doesn't have much in way  
14      of assets.

15              MR. SKAAR: That's my client.

16              THE COURT: There's an asset here and he's  
17      trying to get a hold of it with the idea that he will  
18      eventually obtain judgment. And that if he doesn't grab  
19      the asset now, there will be no way to pay the judgment.  
20      So it's like seizing somebody's equity in somebody's  
21      house I suppose by putting a lien. If somebody's dog  
22      bites your kid and you bring a lawsuit, they don't have  
23      very much money so you file a motion to attach their  
24      house so when you obtain judgement, you'll have something  
25      to collect against.

1 because Compliant continued to pay him and even attached  
2 a check that was after the alleged time that he took the  
3 IP back for a royalty check on the very intellectual  
4 property.

5 THE COURT: This is the December 2003 check?

6 MR. SKAAR: That's correct. And, of course,  
7 there's nothing in the record but, you know, Cardiac  
8 Science continues to pay him royalties under the very  
9 same agreement. So we think that we own that. I don't  
10 think he's cashing them but he's getting them.

11 So there is a dispute under the agreement that has  
12 to be handled under the agreement, and there's condition  
13 precedent under the agreement and the mandatory  
14 arbitration clause under the agreement. And again this  
15 screams all for Compliant to be here because really this  
16 needs to be -- he is alleging that breach happened when  
17 Compliant owned it, and I think if Mr. Hutchins can get  
18 through all this and show that in fact he did take his IP  
19 back, then he could sue us for patent infringement  
20 because we wouldn't have a viable license. Of course,  
21 we'd sue Compliant for indemnification because we just  
22 paid a bunch of money for it, but this is way too  
23 premature.

24 He has to show -- and now Compliant has sued him in  
25 Ohio on that very same issue saying we own it. There are